Learn from the best: How customer understanding and analytics grow revenue and deepen loyalty

Discover how 10 leading IBM clients use customer analytics to deliver better business results

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An inside look at how marketing, e-commerce and service leaders outperform with customer analytics

Your customers are demanding. Your competition is fierce. Your business is under unprecedented pressure to deliver top-line results. Yet if you are like many marketing, commerce and service professionals, you may be struggling to understand your customer's behavior and anticipate their needs. The highly fluid nature of interactions across online, mobile, in-store and call center channels makes understanding customers more challenging than ever, yet vital to effective customer engagement.

The gap is widening between winning businesses and the also-rans as channel and device choices proliferate for customers in both B2C and B2B markets. Strong customer engagement grows the bottom line—companies with top-performing marketing teams see profits grow 1.8x faster than all others, according to IBM's Global Survey of Marketers.[1]

How can you improve your business results? Read this ebook to get an inside look at how leading companies use customer insights to deliver a personalized, real-time brand experience that engages customers across channels, increases conversion and drives revenue.

The techniques and solutions used by these customers are available now to marketing, e-commerce and service teams that want to transform their understanding of their customers to achieve better business outcomes. Learn how they've moved from siloed, ad hoc approaches to engage their customers holistically using the IBM ExperienceOne Understand Your Customers solution.

Inside, you'll find 10 customer case studies in three areas:

| Introduction | Marketing | E-Commerce | Service | Lessons and Information | 2 |

Carbonite nets 5:1 ROI with digital analytics

A provider of cloud data backup solutions, Carbonite lacked the ability to consistently manage user data needed to build marketing segments with its previous digital analytics solutions, Google Analytics and Adobe SiteCatalyst. This insight was essential to expand its offerings beyond B2C to B2B customers. Carbonite needed better customer data capture, targeting and cross-channel visibility as the Boston-based company grew to store more for than 300 billion files for 1.5 million customers, including 50,000 businesses.

Insights into the customer lifecycle reveal new opportunities

With the IBM ExperienceOne Understand Your Customers solution, Carbonite built a full lifecycle measurement strategy for its sales pipeline. Each year, Carbonite tracks 120 billion online impressions (the advertising industry's standard accounting measure). It then brings in data relating to offline media (such as TV, radio and press advertising) to complete the picture. Highlighting affinities between different media drives new opportunities for the business.

Carbonite pulls in email, PR, social and web data, combining it with information from media vendors about paid advertising placements. Fractional attribution modeling provides a highly granular view of how the different media interact to create opportunities. Combining the data from online and offline interactions enables Carbonite to connect advertising data at a placement level to page views on its website.

Maximize marketing spend impact

Carbonite maximizes the impact of its marketing spend with breakthrough insights from IBM solutions. It reduced customer churn to save $4 million a year, and has increased its site yield metric by 0.25 percent per quarter, translating into $1 million a year in new bookings. Carbonite estimates a 5:1 return on investment (ROI) from the IBM ExperienceOne Understand Your Customers solution, including product offerings such as IBM Digital Analytics, IBM® Cognos® and IBM SPSS®.

$4 million gain
through reduced customer churn

$1 million gain
in additional bookings

5:1 ROI
from analytics

Source: Carbonite full case study

"We can now ask business questions and get answers that are concise, accurate and timely, helping us to make more relevant offers to our customers. We are achieving a return on investment of 5:1 for our total analytics spend."

— Carbonite

wehkamp.nl takes digital relevance to new heights

The largest online retailer in the Netherlands, wehkamp.nl sees well over 100 million site visitors a year browsing and buying from its selection of nearly 16 million products. Yet as shopping choices and channels proliferate, wehkamp.nl recognized the need to increase the precision in how and when it engages customers in marketing outreach and to ensure an optimized site experience.

Analytics drive optimized marketing execution
With better analytics, wehkamp.nl marketers have woven advanced degrees of relevance and personalization into every aspect of their digital marketing programs, from email to display ads to on-site recommendations. For email, wehkamp.nl uses IBM Digital Analytics with the LIVEmail option to syndicate data to an email service provider to retarget shopping session abandoners, using insights for personalized messaging in a dynamic template that eliminates the cost and effort of managing thousands of variants.

Customer centricity creates real business impact
The depth of customer insight that goes into wehkamp.nl's email retargeting has delivered remarkable results. The retailer has seen a 23 percent higher open rate compared to standard promotions, 68 percent higher click-through rate, 67 percent lower opt-out rate and a 271 percent higher sales-per-send ratio. The company's use of the IBM ExperienceOne Understand Your Customers solution includes the unique replay ability of IBM Tealeaf® solutions to quickly diagnose and fix problems causing poor website experiences, and IBM AdTarget for personalized display ad retargeting, netting 15 times greater ROI than generic display ads.

"Our IBM solution has afforded us the means to achieve a 98 percent personalization rate on outbound email. That ability to speak with our customers on a one-to-one basis drives immense value back to the business."
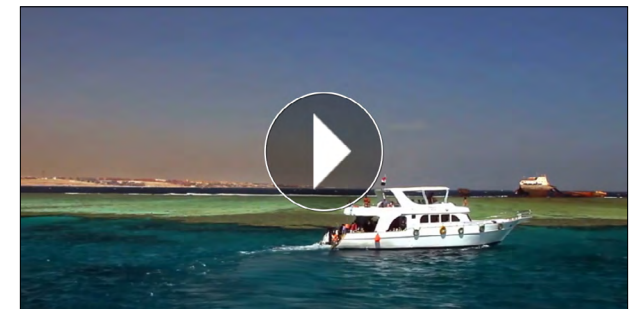
—wehkamp.nl

271% higher
sales-to-send ratio

68% greater
clickthrough rate

99% increase
in accuracy of web analytics reporting

Source: wehkamp.nl full case study

Video: West Marine customer spotlight

See how West Marine gains customer insights and delivers personalized experiences with IBM.

MonotaRO doubles sales with campaign management and analytics

MonotaRO, an online retailer of hardware, construction, automotive and related supplies and equipment based in Japan, had a large site membership and solid sales. However, the marketing staff wanted to improve lackluster results as they struggled with manually analyzing customer data and managing marketing campaigns. To keep ahead of the competition, MonotaRO needed more efficient and robust analytics and campaign management.

Analytics and marketing execution: Better together

MonotaRO turned to IBM ExperienceOne for an integrated solution to analyze and manage online marketing. In the IBM ExperienceOne Understand Your Customers solution, IBM Digital Analytics gives the online retailer the ability to analyze customer purchase records, abandoned shopping carts, site visits, call center inquiries and more. MonotaRO uses those insights into customer behavior and interests to create small, highly targeted campaigns aimed at specific customer segments, powered by the IBM ExperienceOne Ignite and Grow Customer Relationships solution.

Increasing loyalty boosts the bottom line

With better analytics and marketing execution, MonotaRO is equipped to recommend products based on known customer interests, including highly profitable private-label brands in place of national brands. Sales doubled in just three years, and so did membership, from 350,000 subscribers to 750,000.

2x increase
in sales

2x increase
in subscribers

15x increase
in reporting speed

Source: MonotaRO full case study

"When a retailer can connect customers with the products they want and need at a good price, sales go up. Automated campaign management and analytics give the company the ability to do just that."

—MonotaRO

Virgin Atlantic e-commerce sales soar with analytics

Virgin Atlantic, the UK-based airline serving five million passengers a year, wanted to grow market share and increase revenue from its e-commerce site, one of its largest sales channels. Its previous web analytics solution did not provide deep insights into customer usage patterns, making it difficult to pinpoint sticking points and optimize its 3,000-page website.

Actionable customer insight plots a better customer journey

Virgin Atlantic implemented the IBM ExperienceOne Understand Your Customers solution with IBM Digital Analytics software and gained deep, actionable insights into passenger click-through patterns, providing a clear roadmap for site enhancements that resulted in a major increase in the number and value of flights booked on the site. IBM Digital Analytics has given Virgin Atlantic full visibility into the customer journey to quickly detect and correct issues across its website.

Optimization produces higher booking value and conversion

With insights through IBM Digital Analytics, Virgin Atlantic made site optimization changes that resulted in a 7 percent increase in average flight booking value, a 10 percent increase in use of the flight search function, as well as increases in conversion. In addition, the solution's cloud model helped Virgin Atlantic accelerate time to value, and supports iterative introduction of new pages, rather than the riskier "big bang" approach.

10% increase
in number of visitors searching for flights

7% increase
in average flight booking value

Improved
ability to detect and correct issues

Source: Virgin Atlantic full case study

"IBM Digital Analytics offers us full visibility of every aspect of the customer journey. Because every customer interaction is tracked and aggregated by IBM Digital Analytics, we get a crystal-clear view of how different types of customers use the website, and pages that some users are struggling with."

—Virgin Atlantic

Video: Confused.com customer spotlight

Learn how IBM helps Confused.com, a UK insurance comparison site, improve e-commerce, marketing, customer support and development.

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Travelocity recaptures $1 million in revenue

Headquartered in Texas, Travelocity is a global provider of consumer-direct travel services for leisure and business travelers and the second-largest online travel agency in the US. Identifying and resolving website issues quickly is a priority for Travelocity, as problems can lead to site abandonment, customer dissatisfaction and revenue loss.

Understanding user struggles improves the customer experience

While Travelocity's digital analytics solution could provide insight into what was happening, it could not tell them why. To gain a better understanding of the digital customer experience, Travelocity adopted the IBM ExperienceOne Understand Your Customers solution. IBM Tealeaf records each visitor session and allows Travelocity to replay sessions where a problem occurred and gain complete visibility into the actual user experience. Travelocity can then determine the number of customers affected by the same issue and assess business impact. Tealeaf enables the company to identify complex issues that customers often don't accurately describe.

Swiftly correcting customer experience issues recaptures lost revenue

Travelocity used IBM Tealeaf to investigate customer complaints about error messages, and within an hour had identified and corrected a problem with special characters entered by customers that were "breaking" the checkout process. The company estimates that it recaptured $1 million by quickly resolving the issue. Travelocity also relies on IBM Tealeaf to better understand user behavior and optimize site design and navigation.

Video: Farmers Insurance customer spotlight

Learn about the benefits that IBM solutions have brought to one of the largest insurance companies in the US.

$1 million
in revenue recaptured through swift issue correction

Weeks to hours
for problem resolution

3 months
to achieve ROI

Source: Travelocity full case study

"You don't have 20/20 vision without Tealeaf. The ability to go back and tie what customers saw to what they reported has helped us truly understand the problems customers face."

— Travelocity

Orvis revenue rises with targeted product recommendations

Founded in 1856, outdoor gear and apparel retailer Orvis has built on its legacy as the first mail-order company in the US with innovations and growth including an extensive online store, more than 60 retail locations in the US and nearly 20 in the UK, and partnerships with 500 dealers worldwide. Orvis saw an opportunity to increase cross-sell revenue and deepen customer engagement with automated product recommendations.

Digital data personalization improves results

Orvis knew they had collected valuable data with IBM Digital Analytics and wanted to put that data to work. Orvis expanded its use of IBM ExperienceOne to automate personalization with the IBM Curate Meaningful Customer Interactions solution, which includes IBM Product Recommendations, and has replaced the time-consuming manual processes that made it difficult to keep recommendations current for the more than 4,400 products on the website. Beside the high workload, Orvis was realizing subpar results from its manual approach. With IBM Product Recommendations, Orvis has substantially improved productivity, precision and results.

Product recommendations increase conversion and revenue

Orvis has seen a 70 percent gain in revenues from product recommendations with the IBM solution, and a doubling from 3 to 6 percent of the portion of total site sales driven through product detail pages. Meanwhile, the company is saving up to 10 hours a week compared to the manual approach used previously, enabling online merchandisers to channel energies into more value added activities.

"We knew IBM Product Recommendations would lift revenues. We just didn't think it would provide this much lift. After the initial setup it runs by itself, constantly updating recommendations on our site based on new product introductions and changing customer interests."

—Orvis

70% increase
in revenue from product recommendations

2x gain
in total site sales from product details page

8 to 10 hours
saved each week in manual work

Source: Orvis full case study

J. J. Keller & Associates sees double-digit revenue lift

A leader in risk and regulatory management solutions, J. J. Keller & Associates serves 420,000 companies, including more than 90 percent of the Fortune 1000. The company needed to apply an innovative approach to its website to offer B2B customers a more personalized online experience, while eliminating the limited visibility and manual work of its previous site.

Personalization propels precision marketing

J. J. Keller turned to IBM for an upgrade that introduced breakthrough capabilities for personalization and precision marketing. Using IBM ExperienceOne—including IBM Digital Analytics, IBM WebSphere® Commerce and related technologies—the company delivers product recommendations, promotions and regulatory information according to individual attributes, including past purchasing and browsing history, geographic location and referring URL. The site adapts to customer behavior, whether they are first-time or repeat visitors.

Better customer experiences mean greater customer satisfaction

Since upgrading its digital analytics, marketing and e-commerce website, J. J. Keller has seen a 7 percent increase in customer satisfaction as users appreciated recommendations and content tailored specifically for them. Online conversion leapt 19 percent, while revenue also increased 19 percent. With cross-sell recommendations and a more engaging online experience, J. J. Keller saw average order sizes rise 5.7 percent, driving a significant increase to its top line.

19% increase
in revenue

19% improvement
in conversion

5.7% growth
per average order

Source: J. J. Keller and Associates full case study

"The new e-commerce solution gives us the tools and analysis we need to meet the changing needs of our customers and provide a more personalized and productive experience, resulting in increases in conversion rate, average order size, customer satisfaction and revenue."

—J. J. Keller and Associates

Video: David's Bridal customer spotlight

See how IBM has helped David's Bridal drive double-digit year-over-year growth.

Direct Ferries smoothes the online customer journey

Founded in 1999, Direct Ferries Ltd. is Europe's leading ferry ticket retailer and one of the UK's fastest-growing travel companies. With its website driving 90 percent of company revenues, serving 80,000 visitors with more than 40,000 quotes a day, it's crucial that Direct Ferries can offer a highly streamlined and consumer-friendly e-commerce experience.

Pinpointing customer struggles creates a superior experience

Direct Ferries implemented the IBM ExperienceOne Understand Your Customers solution with a focus on IBM Tealeaf to discover obstacles customers encounter, reproduce problems swiftly, and quantify their business impact to prioritize which issues warranted immediate intervention. Direct Ferries also uses triggers to alert management to site issues and potential fraud and to gain 360-degree visibility into site usage to deliver a superior online experience.

Increasing conversion rates and saving time and money

Through analysis and prioritization, Direct Ferries is increasing conversion rates and better focusing IT time on resolving issues with the greatest effect on the bottom line. The company was able to quickly correct a problem with a discount offer in an email promotion, and estimates it saves thousands of British pounds a year by using IBM Tealeaf to alert management to potentially fraudulent transactions.

Increased
site conversion and customer satisfaction

Accelerated
issue detection and resolution

## 1000s of pounds
saved annually through fraud detection

Source: Direct Ferries full case study

"The benefits IBM Tealeaf solutions delivered paid back our investment incredibly quickly. IBM Tealeaf solutions have become a vital part of our e-business processes and it would be unthinkable to relinquish usage of these solutions."

—Direct Ferries

Video: Zions Bancorporation customer spotlight
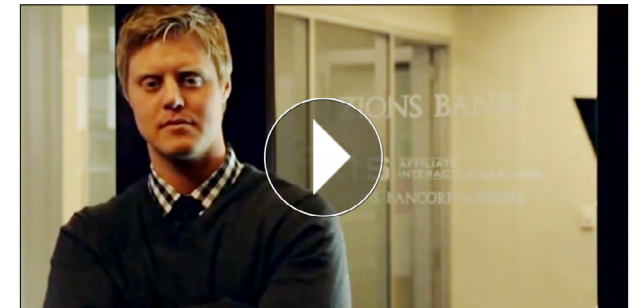
Watch Zions Bancorporation discuss how they used IBM solutions to create web and mobile user interfaces that delivered better results.

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LV= optimizes online customer experiences in financial services

LV=, a leading UK financial services and insurance provider established in 1843 and serving 5.5 million customers, needed a way to better understand online member activity and pinpoint subpar customer experiences on its website, the point of origin for 80 percent of all new general insurance policies. Without the ability to offer a fully optimized online experience, LV= was missing out on potential business opportunities.

Understand the "why" behind customer experience problems

LV= deployed the IBM ExperienceOne Understand Your Customers solution with a focus on IBM Tealeaf to capture each online customer experience from a qualitative perspective. With insights into why customers experience problems, LV= can proactively take action to prevent revenue loss, reduce call center inquiries and improve customer satisfaction. The solution is also used by live chat agents to replay customer sessions and improve first-call resolution rates.

Empower the business with customer insight

The IBM ExperienceOne solution has enabled LV= to detect and resolve problems with a payment gateway, a new browser version and traffic from aggregator websites to increase revenue and customer satisfaction and reduce costs and costly call center inquiries. Insights from the IBM ExperienceOne Understand Your Customers solution are shared across business units, including e-commerce, the customer experience team, call center and fraud protection, improving performance across the board.

Increased
customer satisfaction, site usage and conversion

Reduced
revenue loss and call center inquiries

Improved
ability to rapidly detect and resolve website issues

Source: LV= full case study

"Thanks to IBM Tealeaf solutions, we now have the same level of knowledge of the customer experience online that we have with our contact center, enabling us to offer the best customer service experience regardless of channel."

—LV=

Video: Dollar Bank customer spotlight

SmarterCommerce
Dollar Bank
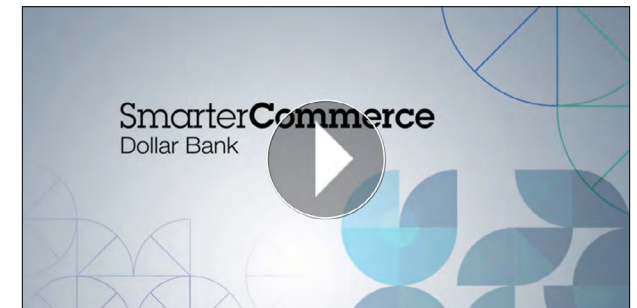
Hear how Dollar Bank is driving greater customer engagement and service with IBM.

Online travel provider sees 120 percent ROI

A leading online travel provider in the UK relied on web analytics for quantitative analysis of website traffic, but found that it lacked the qualitative insights needed to determine why customers abandoned a session. The company envisioned that getting to the "why" behind the online customer experience would be a strategic differentiator for crucial site optimization to improve conversion, retention and revenue.

Qualitative insights into customer behavior lead to quick fixes

The online travel provider turned to the IBM ExperienceOne Understand Your Customers solution to leverage IBM Tealeaf for drill-down into the qualitative aspects of customer behavior, in addition to traditional reporting on site activity. The company leverages unique replay capabilities in IBM Tealeaf to quickly diagnose and fix problems and better understand customer activity on the site, enabling it to optimize the overall online experience.

Improved conversion and personal follow-up deliver triple-digit ROI

The company improved conversion by 25 percent by identifying and fixing a problem in displaying credit card charges, which was driving abandonment. It also uses IBM Tealeaf to alert the outbound call center to certain high-value abandoned sessions for personal follow-up, driving a 340 percent revenue gain in outbound marketing. The company calculates it increased marketing ROI by 120 percent in just eight months by using IBM Tealeaf.

340% revenue gain
through outbound marketing

120% increase
in ROI in 8 months

25% improvement
in site conversion

Source: Online travel provider full case study

"IBM Tealeaf solutions have revolutionized the way we treat our online customers. Not only have they given us the visibility we lacked, they have also allowed us to dramatically increase customer conversion and retention."

—UK online travel provider
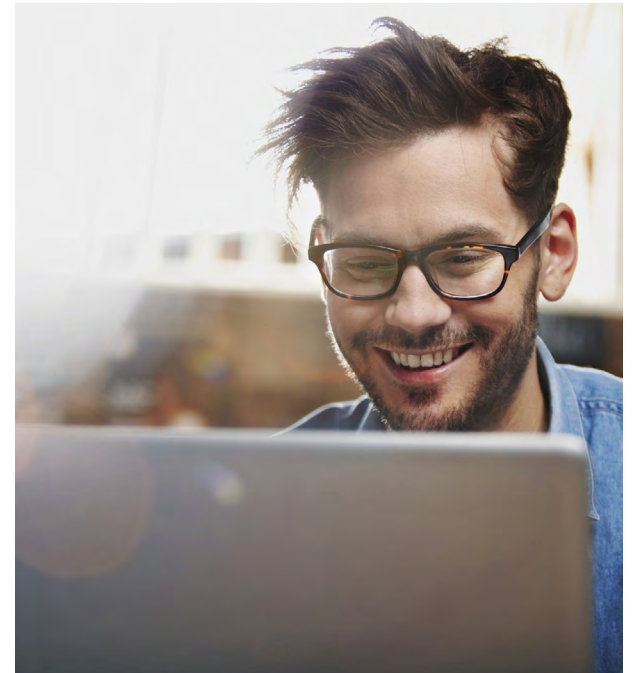
Lessons from the leaders

Understand your customer lifecycle

Insight into what happens in a single session is useful, but to be relevant in the moments that matter the most, you need to understand customer behavior across time and devices. By understanding the complete customer journey, you'll know all the steps they take — how they engage with your brand, how they browse your site and progress through the funnel, and ultimately how they buy from you — and engage them to drive profits and loyalty.

Personalize with the power of analytics

With complete insight into customer behavior, you can target customers with relevant, personalized content based on past behavior and current context. For example, for a sporting goods retailer, if a customer recently purchased a new bicycle in your store, next time they visit your site, present them with relevant content and products, such as posts from your cycling blog, and the latest in cycling shoes. Save time, and enable personalization at scale with automation by linking analytics with site personalization, product recommendations, as well as email and mobile personalization. By doing so, you'll increase response rate, conversion and improve top-line revenues.

More on personalization:

Learn how the IBM ExperienceOne Curate Meaningful Customer Interactions solution puts data-driven product recommendations into action to increase revenue and drive higher lifetime value. **Click here**

The mobile channel offers new ways to personalize. Learn how to create engagement in the mobile channel. **Click here**

Invest marketing dollars wisely

John Wanamaker famously said "Half the money I spend on advertising is wasted; the trouble is I don't know which half." With an understanding of customer behavior over time, combined with robust attribution capabilities, you can make better decisions about where to invest your marketing dollars, ensuring that you aren't wasting your precious budget. Make sure you know which marketing tactics are supporting your business objectives, whether they are customer acquisition, progression or conversion, so you can make the right decision to achieve your goals.

Learn more about attribution best practices with these two insightful blog posts:

- Gain insight from consulting firm Stratigent in *A More Complete Guide To Attribution*. **Click here**
- Learn about the value of statistical attribution models in *Accelerating Multichannel Marketing Performance With Statistical Attribution*. **Click here**

Understand why customers behave the way they do

Less than half (49 percent) of US adults said their experiences using websites on desktop/laptop computers are excellent. That number drops to 25 percent on tablets, and 18 percent on smartphones. And in retail, two-thirds of the customers who experienced an issue left or went to a competitor's site.

IBM ExperienceOne Understand Your Customers: The Digital Customer Experience (2014 Survey). Click here

In today's competitive environment, it's not enough to know what customers are doing on your digital properties—you have to understand why customers behave the way they do. It's all about context—after carting an item, did the customer decide not to buy it, or did they try to buy it, but couldn't because the page rendered badly on their device? Make sure you have complete insight into the customer experience—exactly as they experience it. Proactively troubleshooting problems increases conversions, recapturing lost revenue and improving customer satisfaction.

Empower marketing, commerce and service with customer insights

All customer-facing teams benefit from customer analytics. Marketing can personalize interactions based on customer data, thereby improving response rates, customer acquisition and marketing ROI. The commerce team can drive increased conversions and revenue by tailoring the site experience, delivering product recommendations, and other tactics that ensure customers are delighted in the moments that matter the most. And with greater insight and a better customer experience, your customer service team benefits by being able to resolve customer issues more quickly and reduce overall call volume. All together, your business will see improvements to loyalty and profitability.

Learn how to build a data-driven culture. Leadership in the Age of Big Data Analytics. Click here

Video: Sky Bet customer spotlight
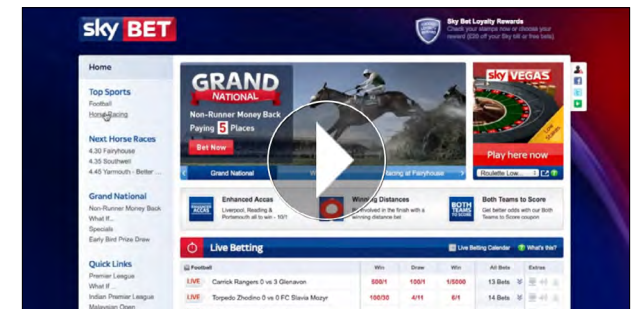
A Sky Bet executive explains how the UK gaming provider uses IBM Tealeaf to pinpoint customer experience issues.

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IBM ExperienceOne

The IBM ExperienceOne Understand Your Customers solution is the foundation for success in marketing, e-commerce and customer service. A holistic analytics approach yields vital insights that power tailored interactions with customers through email, on-site recommendations, mobile devices, display ads, and tele channels. The IBM ExperienceOne Understand Your Customers solution can alert you in near-real time to issues before they spiral out of control, and highlight opportunities to drive revenue and delight customers that might otherwise go unrecognized.

As these case studies show, the systematic application of customer analytics technology can yield outstanding improvements in business performance in both B2C and B2B markets. Top-performing companies continually iterate and optimize their analytics practices to keep pace with the rapidly changing commerce landscape. Is it time to rethink your approach to customer analytics? IBM can help.

About IBM ExperienceOne

IBM ExperienceOne helps you attract, delight and maximize the lifetime value of customers by enriching the ways you engage with each of them. Integrating marketing, commerce and digital solutions, only IBM ExperienceOne empowers marketing, merchandising, commerce and service leaders by providing customer engagement solutions focused on business outcomes.

For more information

To learn more about the IBM ExperienceOne Understand Your Customers solution, please visit: **ibm.com**/experienceone or call 877-426-3774.

1 IBM, "The State of Marketing 2013," July 2013. The State of Marketing 2013: IBM's Global Survey of Marketers, IBM Center for Applied Insights

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